



U.S. Department of Justice

Antitrust Division

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March 6, 2013

BY FAX AND FEDERAL EXPRESS

The Honorable Michael A. Shipp  
United States District Court  
District of New Jersey  
Clarkson S. Fisher Building & U.S. Courthouse  
402 East State Street Room 2020  
Trenton, NJ 08608

Re: In Re New Jersey Tax Sales Certificates Antitrust Litigation:  
3:12-CV-01893-MAS-TJB

Dear Judge Shipp:

The Antitrust Division of the United States Department of Justice respectfully writes to inform the Court that the Government is conducting a grand jury investigation into allegations of bid rigging at auctions for the sale of municipal tax liens in the District of New Jersey. To date, eight individuals and three corporations have pleaded guilty to violating 15 U.S.C. § 1 in connection with the investigation, which is still ongoing.

The *In Re New Jersey Tax Sales Certificates Antitrust Litigation* case currently before this Court concerns the same facts, parties, and legal theory as the Government's investigation. The Government was recently advised by Plaintiff's class counsel that Answers to Plaintiff's Consolidated Master Class Action Complaint are due on March 7, 2013. The Government respectfully requests that this Court postpone the date by which their Answers in this matter must be filed for a period of six months with respect to two individual Defendants only: Stephen E. Hraby and Robert W. Stein. Messrs. Hraby and Stein have each pleaded guilty to conspiring to rig auctions for the sale of municipal tax liens in New Jersey and are cooperating with the Government's ongoing investigation.

Request  
Granted

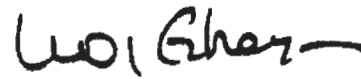
Because of the overlap between *In Re New Jersey Tax Sales Certificates Antitrust Litigation* and the Government's grand jury investigation, the Government has an interest under Federal Rule of Civil Procedure 24 in postponing the Answers of Messrs. Hraby and Stein. See, e.g., *United States v. Mellon Bank, N.A.*, 545 F.2d 869 (3d Cir. 1976); *Walsh Securities, Inc. v. Christo Property Management, Ltd.*, 7 F. Supp. 2d 523, 524 (D.N.J. 1996). At this point, the Government only requests that their Answers be postponed for six months in order to protect the confidentiality of the investigation, including the identity of cooperating witnesses and grand jury material, and to permit

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Messrs. Hruby and Stein to continue to cooperate with the ongoing grand jury investigation. The Government has spoken to counsel for both Plaintiffs and Messrs. Hruby and Stein and understands that they have no objection to this postponement.

We also advise the Court and the parties that the Government also has an interest in limiting discovery in this case. Since discovery has not yet begun, we will work with the parties to find a way to allow discovery to proceed while protecting the Government's interest, although the Government may intervene if no solution is found.

Respectfully submitted,



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cc (via e-mail): All counsel of record

So Ordered this 7th day  
of March, 2013

